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**Introduced by Senator Lieu**

February 22, 2012

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An act to amend Section 1733 of the Insurance Code, relating to licensing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1172, as introduced, Lieu. Insurance licensees: fiduciary duties.

Existing law requires that certain licensees, including, but not limited to, those licensed as surplus line brokers, receiving funds as premium or return premium on or under any policy of insurance or undertaking of bail, receive and hold those funds in his or her fiduciary capacity.

This bill would make nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1733 of the Insurance Code is amended  
2     to read:  
3     1733. All funds received by ~~any~~ *a* person acting as a licensee  
4     under this chapter, Chapter 5A (commencing with Section 1759),  
5     Chapter 6 (commencing with Section 1760), or Chapter 7  
6     (commencing with Section 1800), as premium or return premium  
7     on or under any policy of insurance or undertaking of bail, are  
8     received and held by that person in his or her fiduciary capacity.  
9     ~~Any such~~ *A* person who diverts or appropriates ~~those~~ *the* fiduciary  
10    funds to his or her own use is guilty of theft and punishable for  
11    theft as provided by law. ~~Any~~ *A* premium that a premium financier  
12    agrees to advance pursuant to the terms of a premium finance



- 1 agreement shall constitute fiduciary funds as defined in this section
- 2 only if actually received by a person licensed in one or more of
- 3 the capacities ~~herein~~ specified *in this section*.